

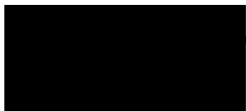
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DIARY NOTES

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DD/S



14 April 1965

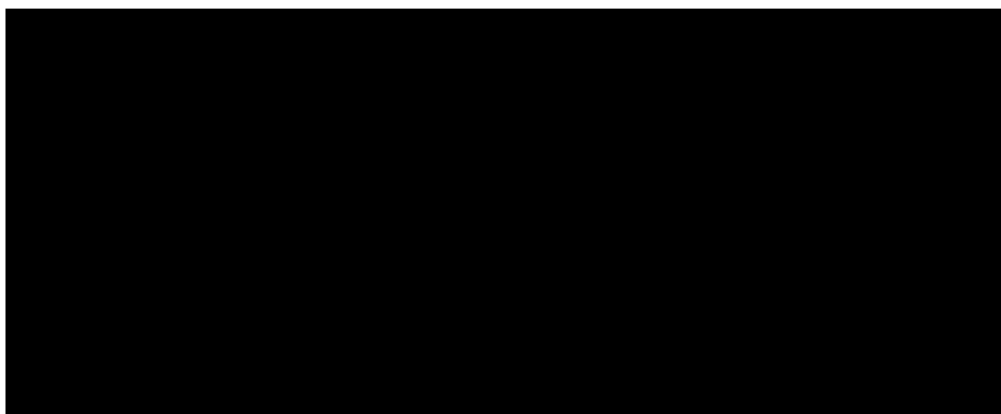
1. I met with the "party committee" to discuss arrangements for a party in honor of Mr. McCone and General Carter on Monday, 26 April. (Details of this meeting are recorded elsewhere.)

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2.  telephoned to say that, since we have granted an in-grade raise to all employees involved in the 30 March bombing of the Saigon Embassy, he thought that a few other employees who have been shot or otherwise injured in Southeast Asia also deserve a raise. I agreed and asked the Office of Personnel to crank this suggestion into their deliberations regarding awards, etc., for these people.

3. At the Executive Committee Meeting this morning Sherman Kent raised a question about the statutory limitation on consultants' fees of \$50 a day. Larry Houston explained that this was the legal limitation and that we and the Department of Defense have been trying to get it rescinded for some years with very little success. Larry and I agreed to look into the problem again to see whether there is some way in which we can pay some of our consultants more, for example, \$100 a day.

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c. We also discussed the procurement of additional Class A furniture. I emphasized to George that whatever we do must be in keeping with the letter and spirit of the President's directive. In this regard, it is difficult for me to see why we need more furniture when we are, in fact, reducing our on-duty strength.

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5. [REDACTED] telephoned about the following:

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a. He asked what they should do with vouchers which have been prepared for General Carter's certification. I told him to send them to General Carter promptly.

b. Pat also explained that we can get money from the Treasury in order to continue our operations even though Admiral Raborn hasn't been sworn in. I see no problem here since Mr. McCone and General Carter are DCI and DDCI respectively until Admiral Raborn and Dick Helms are sworn in.

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6. Again I spent considerable time talking about Admiral Raborn's problems.

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a. I met with [REDACTED] from the Office of Logistics and [REDACTED] from the Office of Security to outline the Admiral's housing requirements and to ask them to locate some possible houses by next week from which the Admiral can make a choice.

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b. [REDACTED] advised that the opinion of the General Counsel is that under the Dual Compensation Act of 1964 the Admiral can accept the first \$2,500 of his retired pay plus 50 percent of the remainder in addition to his \$30,000 salary as Director of Central Intelligence. However, the Comptroller General has asked that the question be formally submitted, so we will not be certain of the answer until we receive a reply. Larry Houston is preparing a letter to the Comptroller General for Mr. McCone's signature. (I advised Admiral Raborn of the foregoing.)

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c. I talked to the Admiral again about his interest in becoming a member of the Chevy Chase Club and undertook to explore this for him. I learned that as a nonresident member he would be permitted to use the club for the first thirty to forty-five days he is in Washington, after which he would have no status and would have to be sponsored for resident membership, pay the necessary initiation fee, etc. (Mr. Joseph Rulon, a long-time member of the Club, will advise me of the precise details tomorrow.)

d. [REDACTED] advised me that Admiral Raborn has expressed his opinion that only the Director's office should have letterhead stationery. (Walt thought that I shouldn't do anything about it, however.)

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e. Walt also said that the Admiral is reluctant to have us rent a car for him since the [REDACTED] would be perfectly happy to do so. I asked Walt to tell the Admiral that, while we will certainly abide by his wishes, we do recommend that he use an Agency car with an Agency, security-cleared chauffeur.

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7. I talked with Matt Baird about [REDACTED] specifically Matt's request that I find a job for Bob. I told Matt that, while I thought well of Bob and could probably provide a job for him, it seemed to me that this would not be in his best career interests if he plans to remain an Office of Training careerist since there is some feeling that he is not now knowledgeable enough about the Clandestine Services. I said that it seemed to me, if [REDACTED] will become the Deputy Director of Training in January 1966, Bob should either become Chief of the Operations School or have an assignment in the Clandestine Services.

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8. [REDACTED] briefed me on the General Counsel's conclusions concerning [REDACTED] as well [REDACTED] active duty. Their conclusion is that we should not permit this situation to continue. They believe that it could be discontinued immediately with no risk of the agents' being required to pay back the retired pay they have already received unless they contest the ruling, in which case the Board of Corrections or the Court of Claims would have to make the decision. I am inclined to agree with the General Counsel's opinion on this. However, I think that this matter is of sufficient importance for me to brief the Deputy Director or the Director before making a decision. I agreed with John that, since this situation has been going on for so long already, I shall defer action until about 1 May, at which time I will consider it again.

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9. At the request of Joe Rulon I entertained him, his brother Watson, and Mr. David Peppin for luncheon. The Rulons, who operate Hogate's Sea Food Restaurants, wanted to see our cafeteria. However, the real purpose of the meeting was to allow Mr. Peppin, who turned out to be a representative of the firm of Daniel, Mann, Johnson & Mendenhall, to present an idea to me. His idea, which was a rather naive one, was that the United States Government should hire a civilian firm--namely Daniel, Mann, Johnson & Mendenhall--to evaluate, coordinate, and implement all the cost-reduction suggestions which have been submitted by industry but about which the Government has done nothing. I told him that CIA certainly has no interest or responsibility in this area and that I know of no single Government agency which does. I suggested that the Department of Defense would be

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the most practical place for him to take his proposal. At the same time I told him that I thought he had about as much chance as the proverbial snowball of selling this idea to a Government agency.

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